



First Union Rail Corporation
NC5811
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018-4214
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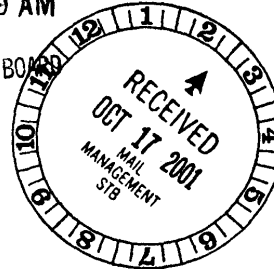
RECORDATION NO. 22715-C FILED

OCT 18 '01 10:59 AM

VIA UPS 2nd DAY AIR

October 11, 2001

SURFACE TRANSPORTATION BOARD



Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals and one (1) copy of a Memorandum of Lease Agreement, dated August 24, 2001, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation number 22715.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Badger Mining Corporation
409 South Church Street
Berlin, WI 54923

A description of the railroad equipment covered by the enclosed document is forty (40) 4550 to 4650 cubic foot covered hopper cars, with car numbers NOKL 815215-828825, non-inclusive.

A short summary of the document to appear in the index follows:

Memorandum of Lease between First Union Rail Corporation, Lessor, and Badger Mining Corporation, Lessee, covering 40 4650/4550 cubic foot covered hopper cars, with car numbers NOKL 815215-828825, non-inclusive.

Also enclosed is a check in the amount of \$28.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

Susan Grokulska

Susan Grokulska
Manager - Documents Administration

Enclosures

(BADG008)

ASSGN. NO.: BADG008

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 24th day of August, 2001, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Badger Mining Corporation ("Lessee"), a Wisconsin corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of November 8, 1999, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 7 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of Sept. 5, 2001 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR

Vice President Sales & Marketing

By: Susan Grokulskey

Name: SUSAN GROKULSKY

Title: _____

Title: MGR - DOCUMENTS ADMIN. Executed on this 24th day of August, 2001.

[CORPORATE SEAL]

STATE OF Illinois

COUNTY OF Lake

I, Tiffany L. Morrison, a Notary Public of the County and State aforesaid, certify that Richard F. Seymour personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 24th day of August, 2001.

Tiffany L. Morrison
Notary Public

My Commission Expires:

4/23/05
(Notary Public)



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SURFACE TRANSPORTATION BOARD

LESSEE:

BADGER MINING CORPORATION

By: Thomas Taake

Name: Thomas Taake

Title: TDL - Co leader

ATTEST:

By: Brian Quinn

Name: Brian Quinn

Title: Dir. Sales & Mktg.

Executed on this 6 day of Sept, 2001.

[CORPORATE SEAL]

STATE OF Wisconsin

COUNTY OF Green Lake

I, Lynnette Dallman, a Notary Public of the County and State aforesaid, certify that Thomas Taake personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 6 day of September, 2001.

Lynnette Dallman
Notary Public

Commission Expires:

June 2, 2002
(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Forty (40)

DESCRIPTION OF CARS: 4,550 to 4,650 cubic foot capacity covered hopper cars equipped with gravity discharge gates and trough hatches

CAR NUMBERS: See below listed:

NOKL 815215	NOKL 822286
NOKL 815216	NOKL 822330
NOKL 815238	NOKL 822331
NOKL 815248	NOKL 822342
NOKL 815253	NOKL 822343
NOKL 815257	NOKL 822345
NOKL 815259	NOKL 822346
NOKL 815261	NOKL 822347
NOKL 815263	NOKL 822350
NOKL 815267	NOKL 822494
NOKL 815268	NOKL 826558
NOKL 815269	NOKL 826623
NOKL 815271	NOKL 828242
NOKL 815275	NOKL 828315
NOKL 815279	NOKL 828352
NOKL 815288	NOKL 828558
NOKL 815289	NOKL 828730
NOKL 815516	NOKL 828790
NOKL 822264	NOKL 828825
NOKL 822273	Count: 40
NOKL 822284	